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April 22, 1993

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400 CAPITOL MALL
SACRAMENTO, CALIFORNIA 95814-4407

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750 B STREET
SAN DIEGO, CALIFORNIA 92101-4605

SAN FRANCISCO
ONE MONTGOMERY STREET, TELESIS TOWER
SAN FRANCISCO, CALIFORNIA 94104-4505

MENLO PARK
3000 SAND HILL ROAD, BUILDING I
MENLO PARK, CALIFORNIA 94025

DALLAS
1717 MAIN STREET
DALLAS, TEXAS 75201-7390

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B-1050 BRUSSELS, BELGIUM

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OUR FILE NUMBER

C 37336-00001

Mr. Christopher Stubbs
U.S. Environmental Protection Agency
Region IX
South Coast Groundwater Section (H-6-4)
75 Hawthorne Street
San Francisco, CA 94105

Mr. Thomas P. Mintz
U.S. Environmental Protection Agency
Region IX
Office of the Regional Counsel (RC-3-3)
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San Francisco, CA 94105

Steven C. Silverman
U.S. Department of Justice
Environmental Enforcement Section
Land and Natural Resources Division
10th & Pennsylvania Avenue, N.W.
Room 1740
Washington, D.C. 20530

Re: San Fernando Valley Superfund Site, North
Hollywood Operable Unit; Hawker Pacific
Facility, 11310 Sherman Way, Sun Valley,
California

Gentlemen:

This is to respond to the U.S. EPA's letter to
Hawker Pacific Inc., dated March 16, 1993, to your inquiries

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regarding prior owners and operators at the facility and to your request that Hawker Pacific enter a tolling agreement with respect to the statute of limitations regarding EPA's past costs. We will address each of those topics in that order.

First, with respect to your letter demanding that Hawker Pacific assume financial responsibility for the groundwater cleanup costs in the North Hollywood operable unit, this letter will confirm the position that Hawker Pacific presented in its meeting with you on April 8. As we discussed at that meeting, after a technical investigation at the site, Hawker Pacific concludes there is no basis for it to be held liable for any groundwater contamination in the region.

The scope and results of the company's investigation are contained in the report of Law/Crandall, Inc., dated April 6, 1993, which we presented to you at the meeting. The investigation discloses some shallow soil contamination with chlorinated solvent, notably perchloroethylene ("PCE"), at the Hawker Pacific facility between Buildings 1 and 2. Numerous soil samples taken from this small area have demonstrated that this contamination is of limited extent and that it does not come close to the groundwater, which historical data from local water wells demonstrate has been 200 or more feet below ground surface for the past 30 years. To put it in some better perspective, we enclose a recent photo of the area in question to make clear just how small it is. (Original photo enclosed to Mr. Silverman.)

The conclusion that the contamination is limited in extent is consistent with the history of operations and physical structures at the site: Hawker Pacific believes that the area in question has never been used in an operational way for the handling of solvents, nor is Hawker Pacific aware of any spill of solvents in this area. Steve Silverman of the Justice Department asked in our April 8 meeting whether this is supported by employee recollections. We enclose a declaration of Harry Gunn, who worked at the facility from 1969 until his retirement in 1991. (Original to Mr. Silverman.) As you can see, Mr. Gunn's testimony establishes that the area in question was located between machine shop operations in Buildings 1 and 2. The machine shop did not use any substantial quantities of chlorinated solvents in its operations. The area in question between the buildings was

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used to store machine oils. The area where chlorinated solvents were used was the plating shop located at the back of Building 2, and the solvents for that operations were stored behind that building in areas investigated and found to be clean in the Law/Crandall investigation.

Based on the investigation by and conclusions of its technical consultant, Law/Crandall, and on its own review of operations and the history of the paving and structures in the affected area, therefore, Hawker Pacific does not intend to contribute to groundwater cleanup expenses. Moreover, it is our view that there is no factual basis for any good faith claim that Hawker Pacific is liable. We note that Hawker Pacific has been fully cooperative with the agency investigation in this area of the San Fernando Valley, under the supervision of the California Regional Water Quality Control Board for the Los Angeles region, and has spent a substantial amount of money and time to pursue the investigation.

The company will be having some additional soil samples taken and analyzed in conjunction with remediation of the soil at the site. This remediation workplan has already been approved by the Regional Water Board. While we do not believe that these samples are necessary to resolve the issue addressed by this letter -- specifically, whether contamination originating at the site has reached groundwater -- the investigation should provide additional, redundant confirmation that it has not done so. The company expects to have results, which it will promptly make available to EPA, within the next 90 days. If you disagree with our consultant's analysis of the data gathered to date, we would (without conceding that any such disagreement is reasonable) like to hear your technical analysis promptly so that it can be taken into account and addressed in this next phase of work.

With respect to the Government's request for additional information regarding prior operators at the site, Hawker Pacific reiterates what it has stated in its prior responses to EPA requests for information: To the extent there is the chlorinated solvent PCE in any amount in the soil at the site, it must have come from prior operators. Since Hawker Pacific began operations at the site in April of 1987, it has not used PCE. Hawker Pacific has operated a vapor degreaser in connection with its plating operation, as did

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prior operators at the site. Hawker Pacific has used only 1-1-1 Trichloroethane ("1-1-1 TCA") in the degreaser since it began operations in April 1987. Hawker Pacific believes that PCE was commonly used by industry up to the mid-1980s, but that such use was generally discontinued in that time period. Hawker Pacific believes that former owners or operators at the site did use PCE in the vapor degreaser. Accordingly, although Hawker Pacific believes that there is no basis to charge any owner or operator of the site with liability for groundwater contamination from the minor PCE soil spill detected at the site, we reiterate that any responsibility for the PCE that is at the site would be with the prior operators listed below.

According to information we obtained from the California Secretary of State, these prior operators should be contacted at the following addresses (note: the information regarding AK Holding Inc. is based upon both California Secretary of State files and information obtained directly from Inchcape PLC):

AK Holding Inc.
(successor to Inchcape PLC)
executive address:
150 North Michigan Ave.
Suite 2500
Chicago, IL 60601

agent for service:
c/o CT Corporation System
818 W. Seventh Street
Los Angeles, CA 90017

Parker Hannifin Corporation
executive address:
1209 Orange Street
Wilmington, DE 19801

agent for service:
c/o CT Corporation System
818 W. Seventh Street
Los Angeles, CA 90017

Bertea Corporation
executive address:
17325 Euclid Ave.
Cleveland, OH 44112

agent for service:
c/o CT Corporation Systems
818 W. Seventh Street
Los Angeles, CA 90017

Zero Corporation
executive address:
444 So. Flower Street
Suite 2100
Los Angeles, CA 90071

agent for service:
R.H. Borchert
444 So. Flower Street
Suite 2100
Los Angeles, CA 90071

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Canoga Industries
executive address:
444 So. Flower Street
Suite 2100
Los Angeles, CA 90071

agent for service:
G.A. Daniels
444 So. Flower Street
Suite 2100
Los Angeles, CA 90071

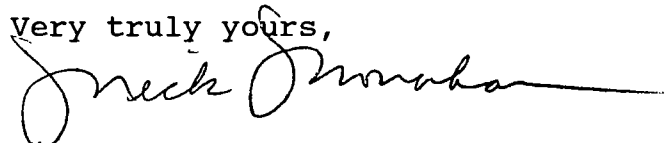
One additional prior operator, Steller Hydraulics was reportedly dissolved in 1969. We believe this company was owned by the current landlords.

As a final matter, I have executed for Hawker Pacific the tolling agreement (signature page enclosed) forwarded by Steve Silverman.

In conclusion, we recognize that the agency has a large volume of data to sift through with respect to the PRPs in the San Fernando Valley generally and in North Hollywood more specifically, and it was for that reason that we had Law/Crandall prepare a summary of the investigation to date at the Hawker Pacific site. We believe it is in the interest of both EPA and Hawker Pacific that the agency have time to review this information carefully, and we would like to hear your response. We are hopeful that the tolling agreement will allow the Government to analyze the facts fully and agree with Hawker Pacific's position.

If you have any questions about the matters set forth in this letter, please let me know. Please give me a call after you have had opportunity to digest and consider the presentation that we made on April 6. Please note that the company plans to conduct the technical work described above in the immediate future, and would like to have any technical comments you may have as soon as possible.

Very truly yours,



Michael A. Monahan

MAM/par

DECLARATION OF HARRY GUNN

I, HARRY GUNN, declare:

1. I am a retired machinist supervisor for Hawker Pacific, Inc. ("Hawker Pacific"). I make this declaration in connection with Hawker Pacific's submissions to the United States Environmental Protection Agency concerning the facility it currently operates at 11310 Sherman Way, Sun Valley, California (the "11310 Sherman Way facility"). I have personal knowledge of the matters contained in this declaration, and could testify competently to them if called as a witness in any proceeding.

2. I began working at the 11310 Sherman Way facility in 1969. I was employed full-time at that facility continuously until my retirement in 1991.

3. Throughout my twenty-two years of employment at the 11310 Sherman Way facility, I worked in either Building 1, Building 2, or Building 3, as shown on the attached site map. Between 1969 and 1983 I was employed as a machinist; between 1983 and my retirement in 1991, I was supervisor of all machine operations in Building 1. Based upon that employment history, I am thoroughly familiar with the various operations at the facility, and the changes which have been made at the facility over

time, particularly in Buildings 1 and 2, and the area between those buildings.

4. Between 1969 and 1991, operations at the facility that involved ongoing use of a degreasing solvent bath took place in the Plating Shop in the rear (south end) of Building 2. Those operations involved the use of organic solvents to clean various aircraft components prior to plating.

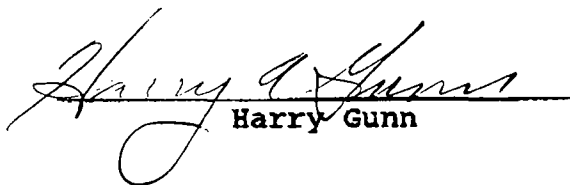
5. Between 1969 and 1991, no substantial quantities of solvent were used in ongoing operations in Machine Shop operations, which were located in Building 1, the front (north portion) of Building 2 and Building 3. (I retired in 1991, the machine shop operation in Building 2 was moved to Building 1 and that area of Building 2 was used for engineering and records storage.) Small quantities of solvent were occasionally used in maintenance to clean the outsides of the machine shop equipment in those areas. That solvent was obtained from the Plating Shop in 1 or 2 gallon buckets.

6. Between 1969 and approximately 1982, solvents used for degreasing at the facility were stored in steel drums located on the asphalt parking lot in an area approximately one-half way between Buildings 4 and 5. In approximately 1982, solvent storage was moved into a large tank immediately behind the south end of Building 2.

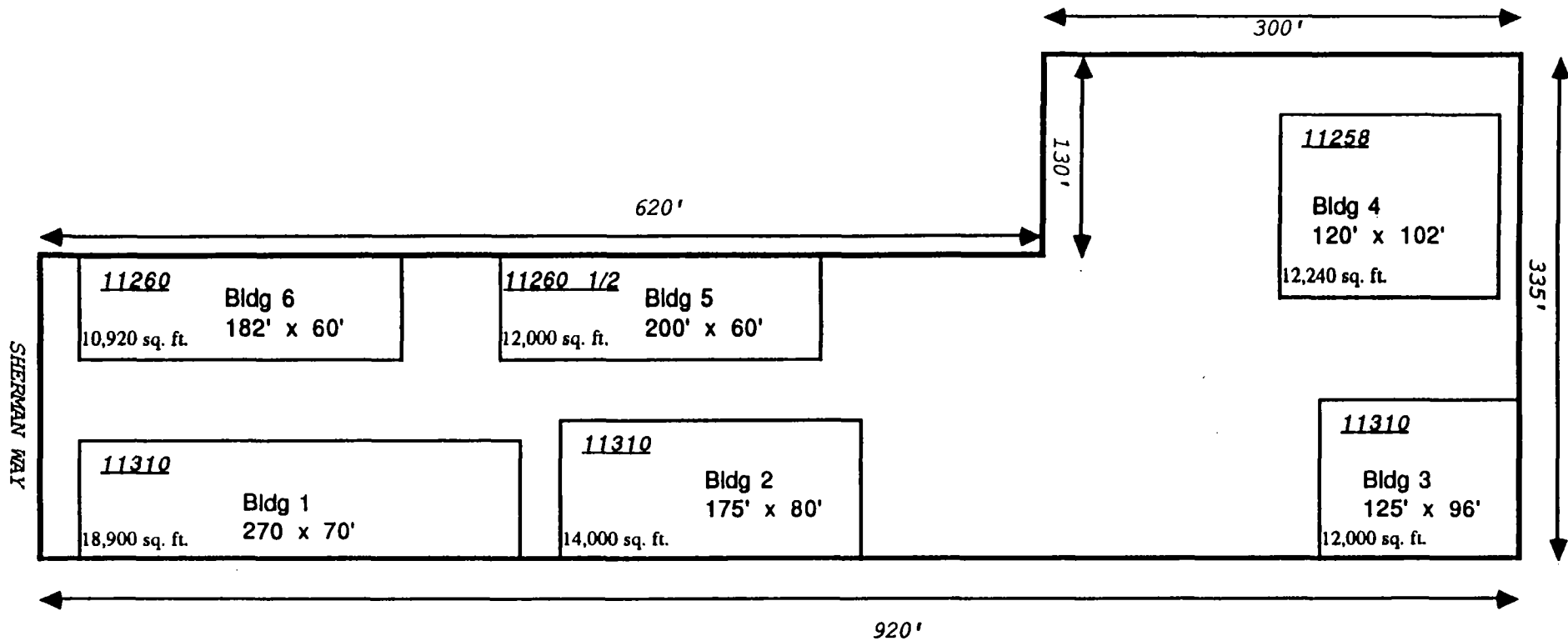
7. At no time between 1969 and 1991 were solvents stored in the area between Buildings 1 and 2. Between 1969 and 1991, the area between Buildings 1 and 2 was used to store machine oils, coolants and lubricants for use in the Building 1 and 2 Machine Shops.

8. Between 1969 and 1991, the ground area between Buildings 1 and 2 was entirely covered by cement. In approximately 1982 a low cinder block birm wall was constructed in the area between Buildings 1 and 2. This was the area where the machine oils, coolants and lubricants mentioned above in paragraph 7 were stored. Except for that birm wall, between 1969 and 1991 no construction activities took place in that area. Specifically, at no point during that period was an underground tank installed between Buildings 1 and 2.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 16th day of April, 1993.


Harry Gunn

LL931050069




HAWKER PACIFIC
SUN VALLEY, CA

2166-05068



FOR HAWKER PACIFIC, INC.:

By:


MICHAEL A. MONAHAN

Attorney for Hawker Pacific, Inc.

Date:

Apr 22, 1993